



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

MAR 30 2012

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Various Budget Bill Items as Follows:

Agency/Department	Items	Amount of Adjustment	Change in Position Authority
California Health and Human Services			
Agency	0530-001-3209	\$2,506,000	12.0
Department of Managed Health Care	2400-001-0890	-\$755,000	-2.0
	2400-001-0933	-\$48,972,000	-352.0
	Reimbursements	-\$1,186,000	-
	2400-002-0933	-\$2,184,000	-12.0
Department of Managed Health Care	4150-001-0890	\$755,000	-
	4150-001-0933	\$48,650,000	352.0
	Reimbursements	\$1,186,000	-
Department of Health Care Services	4260-001-0001	-	1.0
	Reimbursements	\$242,000	-
Department of Social Services	5180-001-0001	-	1.0
Net Change (DHCS Reimbursement Authority Only)		\$242,000	-

Transfer of the Department of Managed Health Care (DMHC) and the Office of Patient Advocate (OPA) from the Business, Transportation and Housing Agency (BT&H) to the California Health and Human Services Agency (CHHSA)—Pursuant to Chapter 552, Statutes of 2011 (AB 922, Monning), it is requested that the various items and position authorities referenced above be amended as shown to reflect: (1) The transfer of DMHC and OPA from BT&H to CHHSA effective July 1, 2012, (2) Establishment of OPA as a separate program within CHHSA, (3) Reimbursement and position authority for the Department of Health Care Services to provide Information Services support to OPA, and (4) Position authority for the Department of Social Services to provide administrative services support to OPA.

The effect of my requested action is reflected on the attachment.

MAR 30 2012

If you have any questions or need additional information regarding this matter, please call Audrey Bazos, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Katie Johnson, Assistant Secretary, Health and Human Services Agency
Ms. Debbie McKinney, Deputy Director, Department of Managed Health Care
Mr. John Mendoza, Budget Officer, Department of Health Care Services
Ms. Fran Mueller, Deputy Director, Department of Social Services



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Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 4140-001-0890 and 4140-001-3085, Support, Office of
Statewide Health Planning and Development**

It is requested that Item 4140-001-0890 be increased by \$162,000 to provide for the second year use of federal Retention and Evaluation Activities (REA) grant funds. The Office of Statewide Health Planning and Development was awarded a \$625,000 federal grant in 2011-12 to perform an evaluation of previous and current efforts to retain clinicians at designated areas in California which have a shortage of medical professionals. The expenditure of these funds was approved on February 22, 2012 through a Section 28.00 letter. Of these funds, \$463,000 is expected to be spent in 2011-12 and \$162,000 will be expended in 2012-13.

It is requested that Item 4140-001-3085 be increased by \$5,122,000 to provide for a \$5.0 million increase in the Mental Health Loan Assumptions Program (MHLAP) in accordance with the 2008 plan for Workforce Education and Training (WET) funds developed by stakeholders, which is required by the Mental Health Services Act of 2004. MHLAP provides educational loan repayments up to \$10,000 to mental health providers who work in hard-to-fill positions within the County Public Mental Health System. This increase would include 2.0 additional staff positions as of October 1, 2012 to handle the additional applications, inquiries, awards, and payment processing that will result from the doubling of the loan repayment program.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Audrey Bazos, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
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Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Stephanie Clendenin, Acting Director, Office of Statewide Health Planning and Development
Ms. Karen Miskanis, Deputy Director, Administrative Services Division, Office of Statewide Health
Planning and Development
Ms. Patty Nelson, Budget Officer, Office of Statewide Health Planning and Development



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Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Items 4260-001-0001 and 4260-001-0890, Support, Department of Health Care Services

Adjustment to Mental Health Program Transfer—It is requested that Item 4260-001-0001 be decreased by \$676,000 and Item 4260-001-0890 be increased by \$94,000 to amend a contract that was transferred from Department of State Hospitals (DSH) and to support 2.0 positions that will be transferring. This request conforms to DSH Item 4260-011-0001, Issue 400.

This adjustment also requests that Welfare and Institutions Code Section 5890 be updated by decreasing the Mental Health Services Fund by \$60.0 million to support transfer of the funding to the Department of Public Health (DPH) for the California Reducing Disparities Project. The funding was incorrectly placed in DHCS' budget. This request conforms to the DPH Item 4265-611-3085, Issue 453.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jonathan Wunderlich, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Katie Johnson, Assistant Secretary, Health and Human Services Agency
Ms. Karen Johnson, Chief Deputy Director, Department of Health Care Services
Ms. Vanessa Baird, Deputy Director, Health Care Benefits and Eligibility, Department of Health Care Services
Ms. Jane Ogle, Deputy Director, Health Care Delivery Systems, Department of Health Care Services
Ms. Mari Cantwell, Deputy Director, Health Care Financing, Department of Health Care Services
Ms. LaVonne Coen, Deputy Director, Administration, Department of Health Care Services
Ms. Betty Lai, Assistant Branch Chief, Fiscal Forecasting and Data Management Branch, Department of Health Care Services
Ms. Lindy Harrington, Chief, Financial Management Branch, Budget Section, Department of Health Care Services



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Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Various Budget Bill Items, Support and Local Assistance,
Department of Public Health**

State Operations

Southern California Laboratory Closure (Issue 401)—It is requested that Item 4265-001-0001 be decreased by \$57,000, and that the following items be decreased a total of \$123,000:

Item	Decrease	Item	Decrease
4265-001-0080	\$4,000	4265-001-0890	\$45,000
4265-001-0098	\$3,000	Reimbursement	\$71,000

The Department of Public Health (DPH) is proposing to close its Southern California Laboratory due to seismic and health and safety concerns associated with the building. The savings will occur through efficiencies gained from transferring the positions and services to the DPH's Northern California Laboratory in Richmond.

Special Funds Efficiencies (Issue 451)—It is requested that the following items be decreased a total of \$6,020,000 and Item 4265-001-0001 be amended to reflect these changes:

Item	Decrease	Item	Decrease
4265-001-0099	\$534,000	4265-001-3111	\$21,000
4265-001-0129	\$382,000	4265-001-3157	\$237,000
4265-001-0335	\$69,000	4265-001-8025	\$193,000
4265-001-3098	\$4,584,000		

This decrease is the result of direction included in the 2012-13 Governor's Budget that non-General Fund departments and programs submit plans targeted to reduce administration and program support, with the goal of reducing fees and shifting resources to programs. This proposal will result in the elimination of four special funds, reduction in various state fees, and the elimination of 26.0 positions within the department.

MAR 30 2012

Local Assistance

Special Funds Efficiencies (Issue 451)—It is requested that Item 4265-111-8035 be decreased by \$174,000 and that Item 4265-111-0001 be amended to reflect this change. This decrease is the result of direction included in the 2012-13 Governor's Budget that non-General Fund departments and programs submit plans targeted to reduce administration and program support, with the goal of reducing fees and shifting resources to programs.

Other Issues

Adjustment to Mental Health Program Transfer (Issue 453)—It is requested that Welfare and Institutions Code Section 5890 be updated by increasing Mental Health Services Fund by \$60,000,000 to support the transfer of funds from the Department of Health Care Services (DHCS) for the California Reducing Disparities Project. The funding was incorrectly placed in DHCS' budget during the development of the 2012-13 Governor's Budget. This request conforms to DHCS Item 4260-601-3085, Issue 120.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Brandon Nunes, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

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Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
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Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Suanne Buggy, Assistant Secretary, Health and Human Services Agency
Ms. Kathleen Billingsley, Chief Deputy Director, Policy and Programs, Department of Public Health
Mr. Daniel Kim, Chief Deputy Director, Operations, Department of Public Health
Mr. Alan Lum, Deputy Director, Administration Division, Department of Public Health
Ms. Patty Lee, Section Chief, Budget Section, Department of Public Health



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Honorable Bob Blumenfield, Chair
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Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 4440-011-0001 and Reimbursements, Support,
Department of Mental Health**

Technical Adjustment to Mental Health Program Transfers (Issue 400)—It is requested that Schedule (1) of Item 4440-011-0001 be increased by \$770,000 and reimbursements be decreased by \$94,000 as a technical adjustment to correct the amounts transferred from this item to the Department of Health Care Services (DHCS) in the Governor's Budget. As part of the Governor's Budget, the Department of Mental Health (DMH) submitted a budget change proposal to move its mental health community services programs to other state departments. Since the release of the Governor's Budget, the DMH identified the need for the following additional adjustments: (1) transfer \$865,000 back from the DHCS to correct funding for the External Quality Review Organization contract and (2) transfer \$189,000 and 2.0 accounting positions to the DHCS for support of the Medi-Cal program.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Carla Castañeda, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
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/s/ Michael Cohen

MICHAEL COHEN
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Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Mr. Peter Barth, Assistant Secretary, Health and Human Services Agency
Ms. Kiyomi Burchill, Assistant Secretary, Health and Human Services Agency
Mr. Cliff Allenby, Interim Director, Department of Mental Health
Ms. Kathryn Radtkey-Gaither, Chief Deputy Director, Department of Mental Health
Mr. Mark Beckley, Deputy Director, Administration, Department of Mental Health
Ms. Irene Briggs, Assistant Deputy Director, Financial Services, Department of Mental Health
Ms. Christina Edens, Budget Officer, Department of Mental Health